

LOWER PAXTON TOWNSHIP  
AUTHORITY MEETING

Minutes of Township Authority Meeting held July 3, 2007

A special business meeting of the Lower Paxton Township Authority was called to order at 6:35 p.m. by Chairman William B. Hawk on the above date in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Authority members present in addition to Mr. Hawk were William C. Seeds, Sr., William L. Hornung, David B. Blain, and Norman K.A. Hoffer.

Also in attendance were George Wolfe, Township Manager; Steven Stine, Township Solicitor; William Weaver, Authority Director; and Jeffrey Wendle and Jodi Reese, CET Engineering Services

**Pledge of Allegiance**

Mr. Blain led the Pledge of Allegiance to the flag.

**Approval of Minutes**

Mr. Blain made a motion to approve the minutes of the June 12, 2007 business meeting. Mr. Hoffer seconded the motion, and a unanimous vote followed.

**Public Comment**

There was no public comment.

**Board Member Comments**

None were presented.

## **Old Business**

### Action on the Paxton Creek 2007 Decision and the Second Paxton Creek Corrective Action Plan

Mr. Weaver explained that he included in the Board members packets a copy of the Second Consent Decree Annual Report that was reviewed and delivered to the Pennsylvania Department of Environmental Protection (DEP) to comply with the June 30, 2007 deadline. He noted that Mr. Wendle provided an amended 2007 Decision for the Paxton Creek.

Mr. Weaver explained that the Board directed Mr. Wendle to review Alternative 2A for replacement, and Mr. Blain requested some additional financial information. He also provided a copy of the Abbreviated Consent Order Annual Report that was submitted to DEP.

Mr. Wendle explained that Second Consent Decree calls for the 2007 Decision to be made as part of the annual report to be submitted by June 30, 2007. He noted that the report was submitted yesterday, and provided DEP with the history of the Township's experiences, what basins were completed, and how much of the overflows were anticipated to be removed, along with the findings. In addition, the alternatives reviewed with the Board members for overflows abatement were listed. He noted that the Corrective Action Plan stated that one of the alternatives would be chosen and implemented in accordance with a schedule to be supplied to DEP by July 15, 2007.

Mr. Wendle explained that he met with representatives from DEP and informed them that the Board was in support of Alternative 2A modified that would replace the system instead of spending funds on storage and treatment. He explained that the Township would need more time for total system replacement in order to deal with under-slab sources. He noted that this is necessary to reach the level to meet the capacity requirements, and he explained to DEP that the process would take time. He noted that, even if the replacement of the ACP areas were

completed in five years, it would take time to find the individual under-slab sources, and negotiate with the homeowner in order to fix the problems. He noted that DEP indicated to him that they were willing to extend the time frame, but this would require an amendment to the Second Consent Decree. He noted that it is CET's recommendation to DEP that the time frame be extended for a 20-year period. He noted that no response was received from DEP on this request; Mr. Ed Corriveau was not in favor of extending the time frame, but the Water Quality Manager, Lee McDonnell indicated to Mr. Weaver that he was not bothered by that time extension. He noted that infrastructure replacement is his preferred means to deal with the problem.

Mr. Wendle noted that he provided a five-year projection with the assumption that the Township would borrow all the funds up front, however, this would not be the case for a twenty year program. In addition, he did projections for a ten-year, fifteen year, and twenty year program. He noted that they are fairly detailed and show the affect on rates for Township residents. He noted if the project is completed over a 20-year period, the Township would end up borrowing roughly \$12 million more than if it was completed in ten-years. He noted that assumptions included the rate of inflation at 3%. He explained that the hand out shows the comparison of rates, keeping a balance of \$1.5 million as a cushion which is the prudent thing to do. He noted that the rates are based upon assumptions, such as inflation rate increase for operations at 3% per year, and that the Township could borrow funds at 4.5% for 30 years, now and in the future, and also earned money at that same rate. In addition, he projected that the project would be completed equally over time, with more of the costs occurring within the first ten-year period.

Mr. Wendle noted that the biggest jump in the rates occurs in the year 2011; he noted that he added an additional \$2.8 million to cover the City of Harrisburg's nutrient removal costs

increase. He noted that this would account for a \$30 dollar per-quarter increase in the rates. He noted that currently, Harrisburg charges \$192 per equivalent dwelling unit (EDU), and they indicated that it will increase by \$200 per EDU when the nutrient removal system is implemented. He noted that Swatara Township Authority would account for a \$5 increase that would be rolled into the first borrowing. He noted that all projects and costs are listed on the back of the rate sheet.

Mr. Wendle explained that the Township's share of the Swatara Township improvements are slated at \$9.3 million, as the costs for the upgrade would amount to \$16 million. He noted that the Township is responsible for 58% of the nutrient removal program at Swatara Township. The total is therefore \$35 to accommodate the Chesapeake Bay nutrient removal requirements at the City of Harrisburg and Swatara Township.

Mr. Wendle noted that for a 20-year program, the rates remain lower a little longer, whereas, they increase much faster for the ten-year program, and decrease slightly at the end. He noted that the debt service for ten-years would not be as high as the longer projected years. He suggested that it would be prudent to approve a 20-year program and complete it as timely as possible.

Mr. Seeds questioned if everyone would pay the same rate. Mr. Wendle answered that he took the amount of funds currently in the bank, and then calculated the total amount to complete the projects, including Beaver Creek, Earl Drive, Valley Road, and Trunk A improvements. He noted that this assumes that the Township would hire contractors to remove the asbestos cement pipe in the Township, and all the plastic pipe areas would be repaired by the Township crews. He estimated that the project would replace 200 units per year over the next 20 years, and suggested that more employees would need to be hired to complete this schedule.

Mr. Seeds noted that the costs to complete alternative 2A are more than alternative 2, and he questioned the reason for this. Mr. Wendle noted that he assumed that the program would address under-slab issues, more sewer replacement would be completed, and the only storage that may be needed would be for 2 million gallons as opposed to 8 million gallons. He noted that this assumes that nothing would be done with storage until 2018. He explained that ten years from now, the Township would determine if it needed storage. He explained that the storage tank is included in the 2 A modified plan assuming an inflated value with a 30% increase. Ms. Reese noted that the difference between alternative 2A and 2A modified is that 2A assumes that the storage tank would be included, whereas, 2A modified would wait to see if a storage was needed.

Mr. Wendle stated that he explained to DEP that under-slab issues are what prevent the Township from reaching its goal of 1,000 gallons per day per EDU which is what it would need with additional development to meet a 10.5 MGD maximum.

Mr. Wolfe noted that the discussions held at the last meeting concerning the alternatives resulted in one glaring issue; if the Township chooses storage or transmission to the City of Harrisburg of the excess flows, at some point in time, it will need to replace the aging asbestos cement pipe. Mr. Seeds noted that the Board must look at the costs to complete this project. Mr. Hawk noted that between now and 2018 much could happen, such as the approval of an Actiflo system. Mr. Wendle suggested that he would not count on that happening. Mr. Wendle noted that he just completed an analysis of the data from PC2, noting that PC2B and PC2E was just completed, with PC2D being the next basin to be completed. He noted that he found if you take the totals from 2B, E, D, and F, and subtract D, then the Township would meet and exceeded the 1,000 gallon per day per EDU goal in those three basins to include 2F, which is brand new, and should not have any problems. He noted that this is the first basin to have these results.

Mr. Hornung questioned what the Township did to accomplish this goal. Mr. Wendle answered that there may not be as many under-slab issues for this area, as the Township did not do anything differently. He noted that it shows that if the Township deals with the under-slab issues then it may be realistic to reach the goals. Ms. Reese explained that both basins were rehabs, and not replacements.

Mr. Blain explained that he met with Mr. Wendle yesterday to review the financial numbers for 2A for full replacement versus storage tanks. He noted that if the storage tank scenario was chosen, the present worth of that would be less today, but he questioned how much it would cost the user in 20 years versus full replacement of the lines. He noted that, after 20 years, it would cost the user more to have storage tanks built, since the lines would still need to be replaced. In addition to that you would also need to maintain the storage tanks. He noted that the other option would be to replace the lines, not build storage tanks, and then start a full replacement program in ten years. He suggested if the Township could negotiate a 20-year scenario with DEP, and try to replace the lines in 10 to 12 years, there would be a cost savings in the back-end that would stabilize the rates.

Mr. Blain noted that the City of Harrisburg and their nutrient removal system that must be in operation by 2011, is going to impact the billing from \$30 to \$35 a quarter. He noted that a large amount of the increase scheduled for 2011 is the result of the City implementing this program. He noted that only \$6 of the increase for 2011 would be for the Township project, and he suggested that the City of Harrisburg would continue to raise rates.

Mr. Hoffer noted that the numbers are not present value numbers, but rather nominal values to show the increase in costs. He noted that doubling the rates over a 20 year period is only 93.5% of the annual adjustment compounded on the rate. He questioned why the Board members are spending so much time on this issue as the numbers can't be compared with what

things will cost in the future. Mr. Hoffer noted that he remembers talking about these issues in 1995, and it must be determined what is the best means to deal with the issue. He noted that the Township could continue to patch the project or do it the right way and replace it now. He noted that this is the right approach, and the best way to handle this situation. He noted that the next issue would be how quickly it could be done. He suggested if the materials have a life span of 40 years, then he would like to see a 40-year program. He suggested that he would recommend that the program start at the worst locations, and get as much work done as possible. He suggested that the Township should have a long-term plan where it replaces a certain section every year, noting that in 40 years it would have to start the process over again.

Mr. Hoffer noted that it is ludicrous to discuss what will happen in 20 years, as it is impossible to plan what technological innovations would be in place at that time. He noted that the 20-year plan looks more attractive until you reach the year 2016. He suggested that the chart is a rough guide and useful for comparisons among things.

Mr. Wendle noted that the costs for 2A assume total replacement of all asbestos pipes. He noted that the plastic pipes that have been built in the past ten years are fine, and so is the plastic pipe that was built in the past 20 years. He noted that he is dealing with the faulty service laterals connections and under-slab issues. Mr. Hoffer noted that the way to go is to replace the asbestos pipes.

Mr. Seeds questioned if the Township should attempt to negotiate a longer period of time. Mr. Wendle questioned if DEP would be willing to even consider 20 years. Mr. Blain noted that what Mr. Hoffer is suggesting is a 40-year plan for the entire Township system. He noted that, at this time we are only discussing the Paxton Creek Basin, but a strategic plan should be developed to include the Beaver Creek and Spring Creek Basins. He suggested that the Township should devise a comprehensive plan for the entire Township.

Mr. Hawk questioned if DEP indicated how much of a time extension they would provide to the Township. Mr. Wolfe answered that they did not. Mr. Wendle noted that he suggested 20 years as this is what the Board members were discussing earlier. Mr. Weaver noted that he did not negotiate anything, but explained that the Board members gave him the authority to meet with DEP to discuss alternative 2A modified. He noted that he was looking to negotiate for more time, but he noted that Mr. Corriveau wanted to know where the Township would be in ten years before DEP could provide more time. However, Mr. Weaver notes that he spoke to Lee McDonnell the next day and he felt that the Township may be granted more than ten years to complete the work.

Mr. Wolfe noted that he did not think that DEP would grant the Township 20 years to complete the work, but what he is looking for is authorization to negotiate based upon the 20-year time frame, and a submission for a request for permits. He noted that it is important to know how many permits the Township should ask for, noting that the Township is willing to commit to a \$67 million effort over and above the effort already expended. He suggested that they would restrict the permits, but the Township wants more than what it was granted in the past.

Mr. Hoffer questioned what would be the fairest way to go about doing this. He questioned what would happen if the sewer replacement was done in one year at an astronomical price, and what impact would it have on the older retired person who receives her first enormous bill, pays it, and the next day she passes away. He noted that this is a case where the Township has unduly burdened the current rate payers for the overall functionality of the system, when the best way to do this would be to impose those costs on a straight-line percentage as you go along, so that all the current rate payers are not unduly burdened, and in years to come their



grandchildren end up with sewer bills that are lower than they should be. He suggested that this would be a very unfair way to go if you will have a 40-year plan for continued maintenance.

Mr. Blain noted that infrastructure is not meant to be built and left alone. He noted that maintenance is on-going and never stops. Mr. Hoffer stated that the Township should develop its maintenance program in this manner.

Mr. Hornung made a motion to direct staff to negotiate the best possible deal with DEP for option 2A modified, which basically states that the asbestos cement pipe (ACP) will be replaced, address all the other pipes in the system, and also built a small storage facility, if needed in the future, noting that the work would be completed over a 20 year period, and not 15 years. He noted that the sewer rates would rise each year, but so does the pay rates for the residents, and percentage wise, the ratio for the rate would probably remain the same. He suggested that when Mr. Weaver negotiates with DEP, he should reiterate that this proposal is not a program that would end in 20 years, but one that would never end.

Mr. Wolfe noted that the Township is not submitting a maintenance program to DEP, rather, a program to abate a violation. He noted that if the Township was not violating the waters of the Commonwealth, DEP would not care how the Township maintains its system. He noted that the problem with the Township requesting a time extension to fix the overflow issues is that DEP wants the violations to go away.

Mr. Hoffer suggested that prioritizing the areas that need work first would certainly help, as you can only do so much work at one time. Mr. Wolfe noted that he is concerned that DEP would not want to hear the Township discuss a maintenance program since they want an abatement program. Mr. Blain suggested that it should be presented as a long-term abatement program

Mr. Wendle explained that DEP will judge what the Township is proposing to them as to how that would change from the initial consent decree that there are to be no overflows in 2012. He noted that requesting a 20 year plan would suggest that the Township is looking to move the 2017 requirement to 2027.

Mr. Weaver explained that the original negotiation was for 15 years, with settlement occurring in 2002, using a date of 2017 to complete the overflow issues. He suggested that DEP may propose a 15 year requirement. Mr. Wolfe suggested that DEP would not cooperate with the Township unless the Township is reasonable in abating the overflows. He noted that this is the big concern.

Mr. Hoffer suggested that the Township should complete the replacements of the ACP over a certain time period. He explained that he is angry that, in the past, the Board acted to complete patch jobs to try to solve the problem with no good results. He questioned, at what point, would the Township realize that the most sensible thing to do is to start to repair the system. He hoped that DEP would see that this is the right approach and would view the plan on its merits, noting that the Township has wasted the past ten years in what it has done. He questioned how they could dispute with the Township the correct approach.

Mr. Hawk noted that, in the past, the Township has taken the approach of not replacing the lines, and DEP has been very difficult to deal with due to this, but if the Township changes its strategy, then DEP may cooperate.

Mr. Hornung questioned if it would help if the Board members attended the meeting with DEP as this is a major financial decision to be made by the Township. He suggested that it would be good to push for 20 years, as he would like to start a Township I&I crew. He noted that the extended time would not necessitate hiring more personnel, but since the work would be on-

going, the Township should have the appropriate staff to complete the work. He noted that the staff has been very good with the utilization of the latest technology and saving costs.

Mr. Weaver noted that the Township must submit its 2007 decision for the starting point, but the actual consent order could be amended anytime between now and 2012. He suggested that Mr. McDonnell may allow the 20 year request, although the precedent is for 15 years.

Mr. Weaver noted that the other issue is permits, noting that the Township has proposed 63 permits a year plus ten permits for every mini-basin completed. Mr. Seeds questioned if this was enough permits. Mr. Wolfe answered that in making such a request, the Township is asking for credit for the work completed in the last five years to reduce flows. He suggested that the Township should ask for something over and above the 63 as credit for the work completed. Mr. Hawk noted that if you don't ask for it, you won't get it.

Mr. Wolfe noted that there are two developments that could easily add 1,000 units in the next two years, and the Township does not have permits for them. He suggested that he would ask for ten permits, per year for the last five years as recognition of the work completed. Mr. Hoffer agreed that that is very supportable.

Mr. Hornung made a motion that the Township proposes to DEP a 20-year alternative for 2A modified plan and request ten permits per year since 2002, and ten for every mini-basin completed. Mr. Hoffer seconded the motion, and a unanimous vote followed.

### **Adjournment**

There being no further business, Mr. Hoffer made a motion to adjourn the meeting. Mr. Blain seconded the motion, and the meeting adjourned at 7:30 p.m.

Respectfully submitted,

Approved by:

Maureen Heberle  
Recording Secretary

Gary A. Crissman  
Authority Secretary